



**North American Wetlands Conservation Act**

**United States Standard Grant**

**2002 Cost Principles**

## MAJOR CHANGES FROM THE 2001 STANDARD GRANT COST PRINCIPLES

**TWO VERSUS FOUR LISTS** Eligibility factors are presented in terms of Eligible Grant and Eligible Match.

### ELIGIBLE GRANT (also applies to match unless otherwise noted)

- Reimbursement for grant-funded work is allowed in the time between when the U.S. Fish and Wildlife Service (Service) receives the proposal and the Assistance Award is signed. If the proposal is not approved for funding, the Federal government is under no obligation to pay for any costs you have incurred.
- Guidance regarding conservation easements is given.
- Copies of easements in place when the proposal is submitted are required.
- All terrain vehicles are considered equipment if the acquisition cost is more than \$5,000 per unit.
- Methods for calculating equipment value are provided.
- You must demonstrate how the method used to value equipment is the most cost-effective for the proposal.
- Unless you provide documentation of your cognizant agency's approval to do otherwise, when calculating indirect costs in NAWCA proposals, you may not include in your distribution base:
  - A. distorting items such as subgrants (subawards), major subcontracts, or any in-kind match;
  - B. the purchase price of any interests in real property; and/or
  - C. the purchase price of any equipment with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year (consistent with recipient policy, lower limits may be established).
- An easement that is subordinate to a mortgage or lien is ineligible.
- Stewardship costs are ineligible (applies ONLY to grant).

### ELIGIBLE MATCH (does not apply to grant funds)

- In addition to a partner letter, copies of easements in place when the proposal is submitted are required to document the match.
- Monitoring and evaluation, with certain restrictions, are eligible.
- The National Fish and Wildlife Foundation (NFWF) is deleted as a Federal, non-matching partner, since there are cases when NFWF funds are non-Federal.
- Match must be committed by the proposal due date. Fundraising efforts are eligible if the partner organization agrees to provide the same funding amount even if the fundraising effort is unsuccessful. Funds applied for, but not yet approved by the NAWCA proposal due date (e.g., from another granting organization) are not eligible.
- Stewardship costs are eligible, if the funds are in an account dedicated solely to the NAWCA proposal.
- Match may be from the Department of the Interior (DOI) Natural Resource Damage Assessment and Restoration (NRDAR) Fund (Fund) if certain provisions are met.
- Match may be Congressionally appropriated funds if legislative language specifically characterizes the appropriated funds as "non-federal" for certain designated purposes that would include NAWCA objectives. An example is provided.

## CHANGES SINCE INITIAL POSTING IN 2002

### ELIGIBLE GRANT

- II. E., Evaluation and II. F., Stewardship costs, were incorrectly shown as eligible costs.
- II. E. Prohibited Grant costs were incorrectly only listed in prohibited Match section XIV. Text moved 7/2/02.

### ELIGIBLE MATCH

- "All items listed above under Eligible Grant (except II F. 4, G., and H) plus the following:" changed to " All items listed above under Eligible Grant (except II E 3, 4, 6 and 7) plus the following: "
- Prohibited Match costs still apply, but text moved to Grant section II. E. Change made 7/2/02.

## COST PRINCIPLES FOR ALL FEDERAL GRANT PROGRAMS

Cost principles for Federal grant programs are available below. Applicability of the publication depends on the type of organization that will spend the grant funds. You can also contact the Council Coordinator at [dbhc@fws.gov](mailto:dbhc@fws.gov) for a paper copy of the publications.

- [OMB Circular A-122](#), "Cost Principles for Non-Profit Organizations", (<http://www.whitehouse.gov/OMB/grants/index.html>)
- [OMB Circular A-87](#), "Cost Principles for State, Local and Indian Tribal Governments", (<http://www.whitehouse.gov/OMB/grants/index.html>)
- <http://www.whitehouse.gov/OMB/grants/index.html>, "Cost Principles for Educational Institutions", (<http://www.whitehouse.gov/OMB/grants/index.html>)
- [48 CFR 31.2](#), "Contracts with Commercial Organizations", (<http://www.access.gpo.gov/nara/cfr/index.html>)

## 2002 ADDITIONAL NAWCA COST PRINCIPLES

### ELIGIBLE GRANT

**I. Direct and indirect costs for necessary and reasonable goods, services, salaries and labor associated with long-term wetlands conservation work conducted in the periods**

- between when the U.S. Fish and Wildlife Service (Service) receives the proposal and the Assistance Award is signed (if the proposal is not approved for funding, the Federal government is under no obligation to pay for any costs you have incurred) and
- after the Assistance Award is signed by the Service. In either case, you may not obligate more grant funds than you request in the proposal.

**A. Acquisition.** This category includes fee-title acquisition and donation, conservation easement and lease acquisition and donation; appraisal fees; acquisition negotiations; acquisition legal costs; boundary surveys; travel and transportation, and annual payments for 10 year conservation agreements (or the maximum duration allowed by State law).

**1.** Easement and lease conditions should address the following points. Organizations and agencies are encouraged to adopt and implement the practices and procedures described in the [Land Trust Alliance's Land Trust Standards and Practices](#) (available at [www.lta.org](http://www.lta.org)).

- a. Specifically ensure long-term wetlands and associated upland protection;
- b. List all restrictions, allowed activities, and reserved rights and clearly demonstrate how those rights will complement long-term wetlands and associated uplands protection;
- c. Be legally enforceable by organizations who can demonstrate ability or experience in enforcing easement terms;
- d. Be recorded pursuant to state law;
- e. Be held by or transferred to a conservation organization (e.g., State or Federal fish and wildlife agency, or non-governmental conservation organization); and
- f. Be described in, and models attached to, the NAWCA proposal (see specific instructions in the Budget section of the proposal instructions).

**2.** Tracts must be consistent with the National Wetlands Priority Conservation Plan by being listed in a Service Regional Wetlands Concept Plan or meeting all of the following criteria.

- a. Offer values in wildlife, fisheries, and one of the following: water supply, water quality, flood control, or erosion protection;
- b. More than 10% of the wetland values are likely to be adversely affected over the next 10 years; and
- c. At least 50% of the proposal's total acres are made up of decreasing wetlands types and their associated uplands (see Technical Assessment Question 4).

**3.** A proposal must include the full amount needed to complete acquisition.

**4.** A Notice of Grant (Cooperative) Agreement or other recordable document will be required for tracts NOT in a long-term conservation-oriented Federal, State or Tribal land management system.

**B. Wetland restoration** (rehabilitating a degraded or non-functioning wetland ecosystem). This category includes engineering and design costs when combined with design implementation, travel and transportation, material and supply costs, and equipment (including all terrain vehicles) with a current value of \$5,000 or more secured by the most cost-effective and feasible method. See the applicable [Cost Principles](#) (<http://birdhabitat.fws.gov/NAWCA/CostPrinciples.pdf>) and the following decision tree for equipment valuation.

- 1.** If equipment is rented or leased, use the cost of renting or leasing.
- 2.** If equipment is purchased more than 2 years before the year that the proposal is submitted (i.e., equipment on hand), use either the depreciation or use-allowance method, but not a combination of the 2 methods.
- 3.** If a pump or its power unit is purchased between the date that the proposal is received by the Council Coordinator and the end of the project period, use the full purchase price. If other equipment is purchased, you may use the full purchase price if a justification statement is included in the proposal. Part of the justification statement should include that the equipment will be used solely on the NAWCA project area. If the full price is not allowed, you will be asked to recalculate and use either the depreciation or use-allowance method, but not a combination of the 2 methods.

**C. Wetland enhancement** (modifying a functioning wetland ecosystem to provide additional long-term wetlands conservation benefits). This category includes the same eligible costs as restoration above.

**D. Other long-term wetlands conservation work** [e.g., creating wetlands or islands, initial land management costs such as minimal signing, administering the proposal or Grant Agreement, securing management agreements, required State and Federal compliance activities (e.g., permits, National Environmental Policy Act compliance, and contaminants surveys); consulting fees, and conducting work that cannot easily be assigned to other activity categories]. The use of grant funds for "administrative" costs is discouraged, but will be reviewed on a case-by-case basis.

**II. Expenses that meet the following criteria:**

- A.** Verifiable from the grant recipient's and sub-grant recipient's records;
- B.** Fair market value;

- C. A special expense caused by the proposal;
- D. Are explained in the proposal.
- E. Do NOT include:
  - 1. actions that will put credits into wetlands mitigation banks;
  - 2. Federal mitigation compliance under the Fish and Wildlife Coordination Act of 1934 or the Water Resources Development Act of 1986. This includes mitigation required by the U.S. Army Corps of Engineers under Section 404 of the Federal Water Pollution Control Act of 1948 or Section 10 of the Rivers and Harbors Act of 1938;
  - 3. work completed prior to submission of the proposal;
  - 4. costs incurred before the U.S. Fish and Wildlife Service receives the grant proposal. The date that costs are incurred is when the following actions occur, irrespective of whether payment is made immediately or in the future:
    - a. place an order or sign a contract;
    - b. receive a service;
    - c. take title to an interest in real property; or
    - d. exercise an option or enter into a purchase agreement (also called a contract of sale, sales contract, deposit receipt, offer and acceptance, agreement of sale, offer to lease or purchase, or sale agreement) when such action commits you to buy an interest in real property unless you withdraw from the purchase;
  - 5. (unless your negotiated indirect cost agreement specifically allows it), indirect costs calculated on a base that include:
    - a. subgrants (subawards), major subcontracts, any in-kind match provided by a party other than the applicant;
    - b. any items that may distort the direct cost base;
    - c. the purchase price of interests in real property; and
    - d. the purchase price of equipment with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year (consistent with recipient policy, lower limits may be established);
  - 6. evaluation; ~~and~~
  - 7. stewardship costs;
  - 8. *routine expenses (versus new expenses caused by the proposal) required to carry out general responsibilities of the contributor (e.g., utilities);*
  - 9. *proposal administration salary costs incurred prior to grant execution;*
  - 10. *proposal planning and development, including investigations to document resource values;*
  - 11. *conservation education materials or salaries;*
  - 12. *fundraising;*
  - 13. *law enforcement;*
  - 14. *research;*
  - 15. *the value of existing residences, structures, and buildings unnecessary for wetlands conservation purposes and the cost to construct, remove or repair same;*
  - 16. *boat ramps, parking lots, roads, and other public access work;*
  - 17. *observation towers and blinds;*
  - 18. *routine operations and maintenance salaries and costs;*
  - 19. *acquisition of tractors and other equipment if it would be more cost effective to rent, lease or use equipment on hand;*
  - 20. *acquisition of vehicles (note that all terrain vehicles are considered equipment if the acquisition cost is more than \$5,000 per unit);*
  - 21. *loss of income (e.g., lost grazing revenue);*
  - 22. *interest;*
  - 23. *contingencies;*
  - 24. *non-proposal specific communications products;*
  - 25. *travel for Federal employees; and*
  - 26. *an easement that is subordinate to a mortgage or lien.*

*Italicized text 8 – 26 moved here from Match XIV since it also applies to Grant. Change made 7/2/02.*

### III. Work done on sites:

- A. that are part of a wetlands conservation plan;
- B. in the same wetlands system (e.g., watershed or river basin);
- C. that are managed to meet the same wetlands objectives;
- D. that are in close proximity; and
- E. that provide direct benefits to each other.

## ELIGIBLE MATCH

All items listed above under Eligible Grant (except II E 3, 4, 6 and 7) plus the following:

- I.** Must at least equal the grant request.
- II.** Must be non-Federal. Even if funds pass through a non-Federal entity, they retain their Federal nature.
- III.** Must be documented by a
  - A.** partner letter sent with the proposal and
  - B.** a copy of any easements or leases in place at the time the proposal is submitted.
- IV.** Must be or have been contributed
  - A.** no earlier than 2 years prior to the year the proposal is submitted (funds applied for, but not yet approved, by the NAWCA proposal due date are not eligible) unless match is covered by a Council-approved Matching Contributions Plan);
  - B.** between the time when the Service receives the proposal and the Assistance Award is signed; or
  - C.** during the 2-year Grant Agreement period. If the contribution extends past the 2-year grant period (e.g., payments for a 10-year lease), the amount of match must be committed via a dedicated account, bank letter of credit, or other instrument for the full amount of time (e.g., 10 years).
- V.** May have as its source the Indian Self-Determination and Educational Assistance Act, P.L. 93-638, of 1975.
- VI.** Must be permanent, non-reimbursable, dedicated to a project proposal, and committed by the proposal due date. For example, fundraising efforts or grant applications are only eligible if the partner organization agrees to provide the same funding amount even if the fundraising effort or grant application is unsuccessful.
- VII.** May include monitoring and evaluation costs, if results will be used to improve wetlands conservation and future NAWCA proposals.
- VIII.** May be donated title to real property where the donation increases resource values of the proposal or protection or management of wetlands and migratory bird values.
- IX.** If equipment is loaned, use the fair rental value to determine value.
- X.** May be stewardship costs, if the funds are in an account dedicated solely to the NAWCA proposal.
- XI.** May be Department of the Interior (DOI) Natural Resource Damage Assessment and Restoration (NRDAR) Fund (Fund) monies
  - A.** if wetlands mitigation is not part of the NRDAR-funded work,
  - B.** if the work significantly contributes to the wetlands protection objectives of the proposal,
  - C.** if the monies have been or will be deposited pursuant to a joint and indivisible recovery by the DOI and non-Federal trustees under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Oil Pollution Act (OPA),
  - D.** if the monies were or will be transferred to a non-Federal trustee who has joint and binding control over the funds (the non-Federal trustee may transfer it to another entity, but that could affect whether it's an eligible match based on such considerations as did the trustee's transfer of the money comply with the trustee's own laws and regulations regarding any state or tribal grant, cooperative agreement, or contracting statute or regulations),
  - E.** if the co-trustees agree that monies from the Fund should be made available to the non-Federal trustee and allowed to be proffered as a non-Federal match to accomplish an appropriate project consistent with the settlement agreement and the provisions of CERCLA and OPA, and
  - F.** if the factors above are addressed in a letter submitted with the proposal from the non-Federal trustee.
- XII.** May be Congressionally appropriated funds if legislative language specifically characterizes the appropriated funds as "non-federal" for certain designated purposes that would include NAWCA objectives. The grant applicant should provide ample evidence in the proposal regarding the non-federal nature of the match. For example, P.L. 103-434, the Pacific Northwest Electric Power Planning and Conservation Act, provides an exception that allows Bonneville Power Administration rate payer funds to be used as non-federal for purposes of matching Federal dollars to fund projects that promote conservation of wildlife and fisheries resources, including wetlands, while improving water quality and availability.
- XIII.** May NOT be funds that have been successfully used to match another Federal grant. Some U.S. Fish and Wildlife Service grant programs include
  - A.** Federal Aid to States grants;
  - B.** Coastal Wetlands Planning, Protection, and Restoration Act grants;
  - C.** Endangered Species Act grants; and
  - D.** Partners for Fish and Wildlife (private lands) grants.
- XIV.** ~~May NOT be work that includes~~ *(Text moved to Grant II. E. since prohibitions also apply to Grant.) Change made 7/2/02.*
  - ~~**A.** Routine expenses (versus new expenses caused by the proposal) required to carry out general responsibilities of the contributor (e.g., utilities).~~
  - ~~**B.** Proposal administration salary costs incurred prior to grant execution.~~
  - ~~**C.** Proposal planning and development, including investigations to document resource values.~~
  - ~~**D.** Conservation education materials or salaries.~~
  - ~~**E.** Fundraising.~~
  - ~~**F.** Law enforcement.~~
  - ~~**G.** Research.~~
  - ~~**H.** The value of existing residences, structures, and buildings unnecessary for wetlands conservation purposes and the cost to construct, remove or repair same.~~
  - ~~**I.** Boat ramps, parking lots, roads, and other public access work.~~
  - ~~**J.** Observation towers and blinds.~~

~~K. Routine operations and maintenance salaries and costs.~~  
~~L. Acquisition of tractors and other equipment if it would be more cost effective to rent, lease or use equipment on hand.~~  
~~M. Acquisition of vehicles (note that all terrain vehicles are considered equipment if the acquisition cost is more than \$5,000 per unit).~~  
~~N. Loss of income (e.g., lost grazing revenue).~~  
~~O. Interest.~~  
~~P. Contingencies.~~  
~~Q. Non proposal specific communications products.~~  
~~R. Travel for Federal employees.~~  
~~S. An easement that is subordinate to a mortgage or lien.~~

7/2/02